



San Diego City Attorney MICHAEL J. AGUIRRE

MEDIA ADVISORY

FOR IMMEDIATE RELEASE: December 21, 2005*

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PRESS AVAILABILITY

DATE AND TIME: Today at 11 a.m.

**LOCATION: City Attorney's Office, 1200 Third Avenue,
Suite 1620, Downtown San Diego**

City Attorney Michael Aguirre will brief the news media on the following matters:

- 1. The San Diego City Employees' Retirement System's Special Fiduciary Counsel's December 6, 2005 letter to SDCERS Board discusses the passage of its November 18, 2005 Resolution 05-04, which authorized indemnification for its employees who become involved in litigation matters arising out of the course and scope of their employment. The City Attorney is opposed to having taxpayers pay for the legal defense of employees who are charged with criminal violations;**
- 2. City Attorney Report on *Financial Internal Controls of the City of San Diego*. The Report concludes that good financial controls have not been implemented in at least four important areas: City Council failed to ensure that outside counsel performed an appropriate illegal acts investigation under AU Section 317 in connection with the audit by KPMG of the City's 2003 financial statement; City Council failed to appoint independent and appropriate members to the San Diego Retirement Board; the City Council failed to require that experts retained to assist in the 2003 financial audit comply with established billing guidelines; and certain Council members of the City Council failed to submit to the City Attorney's Office billings for their personal defense in connection with the U.S. Securities & Exchange Commission's investigation;**
- 3. City Attorney Report on *Status of Retention of Outside Legal Counsel for Fiscal Year 2005 and Fiscal Year 2006 to Date*. FY 2005's total \$7,741,818.31. FY 2006 to-date is \$2,032,760.35. According to Aguirre, of these totals, \$6,912,305.08 arose directly out of the City's decision to underfund its pension obligations; and**
- 4. New Subpoena issued by U.S. Grand Jury related to Ronald Saathoff, firefighter's union president.**

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